



STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
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Executive Director
No. 2002/017

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

ASSESSORS' HANDBOOK SECTION 501, *BASIC APPRAISAL*
JANUARY 2002

Enclosed are copies of the Assessors' Handbook Section 501 (AH 501), *Basic Appraisal*. The Assessors' Handbook is published by the Board as one means of promoting property tax assessment uniformity throughout the state. This Assessors' Handbook section was updated to reflect recent statutory changes, regulatory changes, judicial decisions, and changes to Board publications subsequent to the September 1997 adoption of the AH 501.

Noteworthy changes to this handbook section have been made to reflect the following:

- Addition of section 53.5 to the Revenue and Taxation Code (Stats. 1998, Ch. 226; AB 1246) providing that with respect to property that is subject to valuation as mining property, each leach pad, tailing facility, or settling pond be considered a separate appraisal unit for purposes of determining its taxable value on the lien date.
- Amendments to section 110 of the Revenue and Taxation Code (Stats. 1998, Ch. 783; SB 1997) establishing a rebuttable presumption that the value of improvements financed by the proceeds of an assessment resulting in a lien imposed on the property by a public entity is reflected in the total consideration involved in the transaction.
- Addition of section 423.4 of the Revenue and Taxation Code (Stats. 1998, Ch. 353; SB 1182) providing for additional reduction in assessment for land within the Williamson Act restricted by contract for a term of 20 years and designated as a "farmland security zone."
- Amendments to section 469 of the Revenue and Taxation Code (Stats. 2000, Ch. 613; SB 1844) providing the threshold amount for the mandatory audit of the books and records of certain taxpayers increases from \$300,000 to \$400,000.

The Board adopted the updated AH 501 on January 10, 2002. It has been posted to the Board's Web site at www.boe.ca.gov. The handbook section can be accessed through "Property Taxes" and "Assessors' Handbook." Copies are also available on disk upon request to the Policy, Planning, and Standards Division at (916) 445-4982.

Board staff wishes to express their appreciation to all parties who participated in updating this handbook section. Those efforts contributed greatly to the success of this project.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property Taxes Department

DJG:bt
Enclosures